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Summary Report

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Summary of Presentations Lethbridge Public Forum

January 17, 1992

Alberta
GOVERNMENT OF ALBERTA

TOWARD 2000 TOGETHER

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LETHBRIDGE REGIONAL PUBLIC FORUM
SUMMARY OF PRESENTATIONS

Lethbridge Lodge
1:30 - 4:30 P.M.
January 17, 1992

GOVERNMENT PANEL

Hon. Rick Orman (Chair) - Minister of Energy, Chairman of Economic Planning Cabinet Committee

Ms. Dianne Mirosh - Chairman of Economic Affairs Caucus Committee, MLA, Calgary-Glenmore,

Mr. Fred Bradley - Chairman of the Alberta Research Council, MLA, Pincher Creek

PRESENTATIONS

1. Town and M.D. of Pincher Creek - Economic Development Advisory Committee, Doug Thornton

2. Town of Raymond - Mayor Ruth Nalder, Councillor John Halvorsen

3. Village of Nobleford - Mayor James Cameron, Deputy Mayor Kirk Hofman

4. City of Lethbridge Standing Committee on Economic Development - Alderman Don LeBaron, Chairman; Tosh Kanashiro, Economic Development Manager

5. Alberta Industrial Property Taxpayers Group - Serge Rand

6. Private Citizen - Lou Campagnola

7. Community Futures and Business Development Centre - Don Dalke, Executive Director and Bob Tarleck, Chairman

8. Crowsnest Pass Economic Development Board - Cliff Reiling Crowsnest Pass Chamber of Commerce: Kay Kerr

9. Town of Cardston Tourism Board - Howard Snyder, Rich Boivie

10. Lethbridge Community College - Wally Evdokimoff, Associate Dean

11. Alberta Irrigation Projects - Robert Wilde

12. Private Citizen - Myles Bourke

13. Westcastle Development Authority - Don Haavardsrud, Chairman

ALBERTANS SPEAK OUT AT FIRST TOWARD 2000 TOGETHER FORUM

The first of six regional public forums to be held as part of Alberta's Toward 2000 Together economic planning initiative drew an audience of about 80 and more than a dozen submissions from municipalities, business groups and private citizens.

Participants in the January 17, 1992 forum in Lethbridge offered their views and suggestions on economic and social issues ranging from education and business incentives to environmental matters and property taxation policies. The presentations were made in response to an invitation issued in August 1991, when Premier Don Getty launched the Toward 2000 Together initiative. Its goal is to encourage input from all Albertans in building a strategy to ensure Alberta's future global competitiveness and economic and social well being.

On hand to meet with participants and accept formal and informal submissions was a three-member panel consisting of Alberta Energy Minister Rick Orman, Chairman of the Economic Planning Cabinet Committee; Calgary-Glenmore MLA Dianne Mirosh, Chairman of the Economic Affairs Caucus Committee; and Pincher Creek MLA Fred Bradley, Chairman of the Alberta Research Council.

Mr. Orman opened the forum by reiterating government's "number one promise to listen to Albertans" as it fashions a new economic plan for the province, adding that tens of thousands of Albertans have expressed an interest in being part of the process. The information gathered through public forums, workshops, and questionnaires will be used to establish a framework document that will set the stage for economic development in Alberta over the next 10 years, he said.

SUBMISSIONS

Following are highlights of the written and verbal submissions presented during the three-hour forum.

1. **Economic Development Advisory Committee, Town and M.D. of Pincher Creek: Doug Thornton**

The committee has identified three major areas of economic opportunity for Southwestern Alberta: alternative energy, tourism and agricultural processing. Mr. Thornton noted that, with continued government funding of the Southwest Alberta Alternative Energy Office, Pincher Creek is well positioned to become the alternative energy capital of Canada, having already attracted the 1993 Canadian Alternative Energy Conference.

The advisory committee called for all development in the Pincher Creek area to be environmentally friendly and noted that a balance must be struck between environmental concerns and jobs.

The group called for changes to Securities Commission rules that would allow small pools of capital to be formed at the local level; advocated the development of community bonds; and noted that, if government is going to assist business, "venture capital (as opposed to loan guarantees) is a reasonable way to do it." If government invests in Alberta, Thornton said, it should expect to profit from that investment.

Also advocated was a change to Alberta's franchise laws that would open up more franchise opportunities to entrepreneurs.

2. Town of Raymond: Mayor Ruth Nalder, Councillor John Halvorsen

While larger centres can count on "self-economic generation and preservation," the Town of Raymond believes that economic security and progress for all Albertans will depend on maintaining and enhancing the viability of rural communities. The submission also stressed also the need for government, business, labour and educators to cooperate more closely and to demonstrate a willingness to listen and understand each party's needs and interests.

Mayor Nalder noted that while the Toward 2000 Together initiative focuses on start-up business, the Town feels more attention should be paid to the needs and interests of existing business. The submission also advocates the employer becoming more responsible for education/training betterment, with government acting in an advisory capacity.

A user-pay philosophy applied to education and training and to other areas of Alberta life would lessen the burden on all tax contributors.

On the issue of support for business and industry, the Town opposes targeted or specific industry support and believes that non-financial assistance such as counselling and information opportunities are more beneficial in the long term than tax and financial incentives.

3. Village of Nobleford: Mayor James Cameron, Deputy Mayor Kirk Hofman

Deputy Mayor Hofman expressed concern over tax increases directly attributable to school requisitions, noting that these now account for half the Village budget. This situation represents a "serious concern for rural survival." One way to counter rising education costs, he said, would be to tighten student loan policies to ensure loans are repaid.

Mayor Cameron asked the Alberta Government to re-examine the Ambulance Services Act, pointing out that ambulance service in the Nobleford area is considered satisfactory and any change would prove too costly for the community. He also suggested that the definition of small business be amended to reflect a more accurate picture of Alberta's small business community since the needs of companies requiring smaller amounts of assistance are not being adequately met.

4. City of Lethbridge Standing Committee on Economic Development: Alderman Don LeBaron, Chairman; Tosh Kanashiro, Economic Development Manager

Mr. Kanashiro highlighted some of the elements of a City of Lethbridge submission on the economy to be filed at a later date. Among the concerns: difficulty in harmonizing the policies of the departments of Education, Advanced Education, and Career Development and the need for a provincial/municipal effort to promote a positive economic climate in Alberta. He called for reduction in regulations and bureaucratic processes, a fair tax regime, and the provision of business incentives only if they are needed to compete with other jurisdictions.

A balanced provincial budget is needed, he said, "to demonstrate to the private sector that prospects for future prosperity in our province are real."

The Economic Development Committee favours new incentives to encourage private R&D. While supporting the concept of Centres of Excellence, the committee feels the private sector should choose the locations. Mr. Bradley responded that, in light of the lack of public funds for R&D, government would welcome ideas for private sector R&D incentives.

Also seen as key to Alberta's economic future are retention of a quality air service as a magnet for development, and assistance for infrastructure development in smaller cities and communities.

Ald. LeBaron congratulated the Alberta Government on its decision to proceed with the Oldman River Dam, a development he said was supported by every municipality and Chamber of Commerce south of Calgary, an area where "agriculture is the lifeblood." Considering government's investment in irrigation and water management in Southern Alberta of close to $1 billion over the past 25 years, he said government should ensure that Alberta Agriculture offices in Lethbridge remain fully staffed. Alberta is seen as having exceptional expertise in irrigation. This expertise has attracted the attention of other countries and is now being exported.

Other concerns of the Lethbridge committee include a need to re-examine Alberta's arbitration system, address the problem of rural depopulation and increased funding for the Lethbridge exhibition.

5. Alberta Industrial Property Taxpayers Group: Serge Rand

The Taxpayers Group (a group of Alberta companies) and supporting industrial associations, representing 190 firms with over 60,000 employees, advocated measures to improve the competitive position of Alberta industries in the area of total taxation and, in particular,
property taxation.

The Group believes industry must be able to operate within a competitive tax, fiscal and regulatory climate that is stable. According to Mr. Rand, major hurdles to economic growth and new investment in Alberta include its uncompetitive tax environment, high capital costs (generated in part by cold weather requirements), distance to markets, and an uncompetitive government. (Panel members explained that growth in Alberta's program spending since 1985/86 has only been 1.9% per year, which is 150% below the national average; however, it was acknowledged that per capita spending may still be higher. Statistics Canada figures show that for 1991/92, Alberta per capita spending was higher than any province in Canada.

The Group urged government to:

- create an internationally competitive tax environment (the most competitive taxation regime in North America) to attract both domestic and international investment within Alberta's economic development objectives;

- establish this as a mandate for a strategic senior level Cabinet Minister;
- stick to the policy through good times and bad; and
- work with the Federal Government to ensure Canada's tax competitiveness through such approaches as elimination of duplicate services and simplification of the tax system.

The group called for immediate elimination of the machinery and equipment assessment option for municipalities for all new facilities and a phase-out of the existing assessment. It also advocates reinstatement of the manufacturing and processing provincial corporate tax credit, introduction of accelerated capital cost allowance for new investment in manufacturing and processing assets, a tax incentive for R&D expenditures, export incentives through a U.S.-style foreign sales corporation, and an end to ad hoc assistance to individual companies.

Mr. Rand said funding for these moves would come from revenues generated by increased investment. The M&E tax could be replaced by a broad-based tax on all municipal non-residential assessment. Further savings could be realized by a reduction in corporate subsidies and loan guarantees, and through a reduction in per-capita government program spending. If government wants top quality programs, and doesn't have sufficient tax revenue, then one option is to implement a provincial consumption sales tax harmonized with the GST.

6. Private Citizen: Lou Campagnola

Mr. Campagnola told panel members that Albertans will have to adopt new attitudes and place greater emphasis on human values if Alberta is to weather depression and succeed in highly competitive global markets. He said ways must be found to eliminate the "constant conflict" between labour and management and suggested that Albertans may have to accept a lower standard of living in order to compete internationally. He said one answer is to encourage individuals to demand less for themselves and care more for each other.

Mr. Orman agreed that "generosity of spirit and realistic expectations" have to be adopted by all Albertans.

7. Community Futures and Business Development Centre: Don Dalke, Executive Director and Bob Tarleck, Chairman

Centre spokesmen focused on four areas of the Toward 2000 Together document -- small business, resources, tourism, and government training dollars.

Small Business

The term needs to be redefined to reflect companies with sales under $1 million, less than 10 employees and financial needs under $150,000. (The current definition encompasses businesses with $3 to $5 million sales, 25 or more employees and financial needs of more than $500,000.) The federal Community Futures Program and centre currently offer the only support available to these

smaller businesses in the Lethbridge area and due to limited funds can support only a small fraction of applicants.

The centre also sees a need for more training at the business entry level and for existing small businesses.

Agriculture

More effort should be made to explore the potential of a grain-based pharmaceutical and food processing industry in Alberta. Ethanol production, tied to the beef or dairy industry, also could become a viable business in Alberta. Using ethanol in Canada as a 10% blend with gasoline would not affect the oil industry and the blend could be used by existing vehicles without modification. The submission points to future markets for ethanol of 54.6 million litres per year in Alberta and 583.4 million litres in Canada.

Tourism

While communities have completed individual Tourism Plans through the C.T.A.P. Program, these need to be coordinated into regional plans that would identify and package attractions into three to five day circle tours. Also advocated is development of water areas and improvement of local points of interest and entertainment.

Government Training Dollars

The community must assume a greater role in identifying the local training needs and coordinating federal and province resources. This approach would ensure specific training needs are being met and would eliminate duplication and eliminate waste of government funds at all levels.

8. Crowsnest Pass Economic Development Board: Cliff Reiling Crowsnest Pass Chamber of Commerce: Kay Kerr

Ms. Kerr, speaking for Chamber president Dale Fuller, called on government to weigh its decisions in light of their impact on business and employment. "We are seeing over-regulation from government, all levels, where in many cases companies are required to do the same tests over several times creating major expense and unnecessary delays."

The Chamber also called for closer monitoring of social programs to minimize abuse. It recommended that education be offered where it can be done most economically (nearest to the need) and that those on welfare and the unemployed be strongly encouraged to make themselves employable.

The submission also offered strong support for the use and development of alternate forms of energy (solar, wind and ethanol) while recommending continued support for the coal and forest industries.

Crowsnest Pass Economic Development Coordinator Cliff Reiling called for more government flexibility in allowing communities to decide how best to spend government money.

He also recommended that government support innovative ideas like wind farms, solar power, ethanol development and waste management. "There are plenty of opportunities for rural Alberta to get involved in innovative manufacturing but they will require both technical and financial assistance from government.

Also suggested was a further exploration of the Community Bond program to raise capital for rural projects and steps to ensure that young Albertans have access to economical education opportunities near their homes.

9. Town of Cardston Tourism Board: Howard Snyder, Rich Boivie

Mr. Boivie noted that tourism is a major part of the economic development strategy in Cardston.

To help Cardston capitalize on the tourism potential created by the new $11 million Remington Alberta Carriage Centre, better access for U.S. visitors is required. Board chairman Howard Snyder called for provincial support for Cardston's bid for longer hours of operation for the Carway/Peigan border crossing. According to Chinook Tourism Zone statistics, the Carway point of entry is the busiest tourist crossing point on the Alberta/Montana border, yet it has limited hours of operation, even in the Summer.

While the final decision rests with federal authorities, Snyder said the province should be aware of such obstacles to tourism and support the community's push for extended service at Carway.

10. Lethbridge Community College: Wally Evdokimoff, Associate Dean

The submission noted that community colleges are uniquely equipped to be partners with business, industry and government, offering management and technical assistance for new and small businesses and providing technology transfer services, such as data base and prototype development and research and testing services to existing businesses. Community colleges can also play a role in attracting new business to communities and can provide leadership in anticipating community needs and creating a climate for community collaboration.

Through the establishment of Entrepreneurial Centres, community colleges can play a pivotal role in encouraging entrepreneurship in Alberta. The centres could provide courses for people entering business, help identify business opportunities, run courses and workshops for existing businesses and offer a wide range of research material and resource people.

By remaining sensitive to the changing skill needs of business, the colleges help ensure continuous development of a skilled workforce which helps attract new companies and encourages existing firms to expand.

11. Alberta Irrigation Projects: Robert Wilde

Mr. Wilde suggested the current apparent food surplus is a temporary situation and predicted that food will again become a valuable commodity. Alberta should continue to maintain or expand its ability to produce that basic need through

such measures as continued financial support for the rehabilitation and expansion of province's irrigation network.

The submission also recommended strengthening of the Alberta Agriculture department staff in Lethbridge, and greater government emphasis on agricultural R&D in such areas as ethanol production from surplus grains, methanol production from animal wastes, lubricating oil from canola and use of agricultural products in the building industry. Continued research into biological control of aquatic weeds will also prove beneficial.

The organization also supports increased agricultural trade with Pacific Rim countries, government support for producer groups in their efforts to improve economic viability, a less complex system of dealing with regulatory agencies for new projects, and the continuation of loan guarantees for "selected, well conceived ideas."

Mr. Wilde also suggested that government view the irrigation infrastructure such as reservoirs and wetlands as tourist attractions to be considered in provincial tourism funding.

12. Private Citizen: Myles Bourke

Mr. Bourke recommended that the private sector play a more significant role in education and skills upgrading and suggested that the universities are not meeting the needs of business. "Some redirection is needed, perhaps by tying some guidelines to funds provided to universities so that they can better meet community needs."

Appropriate support for specific businesses to locate in Alberta should be considered, he said, particularly in view of the economic benefits this would bring to all Albertans. In supporting viable businesses, government should consider loans and loan equivalents as opposed to grants.

13. Westcastle Development Authority: Don Haavardsrud, Chairman

Mr. Haavardsrud presented an overview of the Westcastle park and ski area near Pincher Creek, noting that on completion of the $72 million project, it will bring a different element of tourism to the region, create up to 400 direct jobs and generate more than $10 million annually in provincial and federal taxes. He called on government to find an appropriate balance between economic development and preservation of the environment, noting that protracted and "judgmental" environmental assessment processes can frighten investors.